

NHRS BULLETIN BOARD

A Newsletter for Participating Employers

Number 19 – July 2001

Highlights of the Laws of 2001

Synopsis of each bill

Chapter 105 (HB 123-FN) – *effective 6/26/01*

Allows the Director of Safety Services to maintain Group II status if he/she were a Group II member for at least 10 years prior. Also allows unclassified and non-classified state employees to draw a service retirement pension, without being subject to restoration to service limitations.

Chapter 116 (HB 477-FN) – *effective 7/1/01*

Group I Supplemental Allowance: brings all Group I members (or their beneficiaries) who retired prior to 7/1/91 on Service or Disability Retirement, with at least 20 years of creditable service up to a minimum annual pension of \$8500. (*not* on early service or vested deferred retirement)

Also clarifies the obligation of former employers to allow retirees to join their health plan in order to receive medical subsidy benefits.

Chapter 158 (HB 170-FN-A)

Abolishes the administrative cost assessment to employers by authorizing the administrative costs of the system to be drawn from the system funds.

Allows the Board of Trustees to make decisions concerning the budget for the system and the services of outside legal counsel.

Makes retired Group I state employees eligible for the medical subsidy, and authorizes payment from NHRS to the State toward their costs from 1/1/02 - 7/1/04.

Chapter 165 (HB 181-FN) – *effective 7/1/01*

Allows the director or assistant director of Police Standards & Training to maintain Group II status if he/she had been vested in Group II.

Chapter 166 (HB 183-FN) – *effective 9/3/01*

Allows county corrections personnel to purchase prior Group I service in any county corrections facility, as Group II service, subject to the same qualifications as prior service in the same facility.

Chapter 175 (HB 302-FN) – *effective 9/3/01*

Allows retirees whose spouse predeceases them to designate a new spouse as beneficiary (the benefit will be recalculated).

Chapter 264 (SB 111-FN) – *effective 7/1/01*

Extends the Group I medical subsidy for teachers & political sub-division employees to members who retire on or before 7/1/08. Eligibility when they reach age 60, with at least 20 years of creditable service or at age 55 with 30 years of creditable service.

Chapter 275 (HB 279-FN-A-L) – *effective 7/1/01*

Makes a bonded appropriation for the payment of certain unfunded accrued liability.

Extends the Group II medical subsidy to those who are active or retired Group II members as of 6/30/00 and those who retire on Accidental Disability as of 7/1/02.

Allows members to request the inclusion of severance pay as earnable compensation, if a delay beyond the 120 day limit was not their fault.

Allows members approved for Disability Retirement to change their option selection during the 120 days following Board approval.

Tips to help your employees

1. Employees who are eligible to retire, but continue working can file a form with NHRS in order to leave the maximum pension to their beneficiary (ies). Eligibility: any employee over age 60; **or** any employee who has 20 years of Group II service and has reached age 45.

Forms for these employees to file can be downloaded from the NHRS website, www.state.nh.us/retirement, in the section on Death Benefits before retirement, or they can call the NHRS Public Information Office to request to have the forms sent out in the mail. (SB 159, which would have made pre-selection automatic, did not pass this session.)

2. When employees quit, they don't have to take their money out of NHRS. If they are vested, they can leave their money in and draw it later as a pension. If they are not vested, they may leave it in NHRS up to 6 years and earn interest (currently at 9%). Many employees go to other public employment within that six-year period and continue building their pension. *Important:* employees who reach age 60 *do not have to be vested* to draw a lifetime pension.

Medical Subsidy Update

HB 477 clarifies the employers' obligation to allow retirees to join their health plans. The previous language had left some ambiguity concerning former employees who had never been on the health plan being able to join the plan after retirement.

HB 477 amended RSA 100-A:52-a, VIII: "Any person who is eligible to receive group insurance or other medical benefits under the provisions of this section, but who does not need and who declines such benefits because they would be duplicative of coverage under any employer-sponsored plan, shall nevertheless continue to be eligible and, upon ceasing to be eligible

for other coverage, shall be permitted **to join the plan of the employer from which the member retired and to receive the benefits allowable under this section without any waiting period**" (new language in bold).

Effective 7/1/01 the amount NHRS pays toward the monthly medical premiums for eligible retirees increased by 8%.

1 person	236.67
2 person	473.34
1 person Medicare supplement	149.25
2 person Medicare supplement	298.50

Employer Workshop Schedule for Fall 2001

The workshops are open to all NHRS employers. They are especially geared to payroll clerks and other administrative and HR staff. Join us for a half a day to review NHRS procedures and discuss how we can help you work with your employees concerning their benefits. Each session runs from 9am until noon, and they are held at the NHRS office, 4 Chenell Dr. in Concord. Since space in each session is limited to 15 participants, please call to register with the Public Information Office at 271-3351 ext. 252.

Workshops for SAU staff: Wednesday September 19 *or* Wednesday November 14.

Workshops for staff of municipalities, counties and other political subdivisions: Wednesday, October 17 *or* Wednesday, December 12.

Effective 7/1/01

Rates for Employer Contributions

Group I

Employees	4.14%
Teachers - District share	2.58%
State share	1.39%

Group II

Police Officers – Employer share	5.33%
State share	2.87%
Firefighters - Employer share	6.61%
State share	3.56%

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